

**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT

OF

COUNTY AUDITOR

JEFFERSON COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED

03/16/2007

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Sandra J. Shelton	01-01-03 to 12-31-10
President of the County Council	Jacob Kloepfer David J. Craig	01-01-05 to 12-31-05 01-01-06 to 12-31-07
President of the Board of County Commissioners	Michael Frazier Julie Berry	01-01-05 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF JEFFERSON COUNTY

We have examined the records of the County Auditor for the period from January 1, 2005 to December 31, 2005, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Jefferson County for the year 2005.

STATE BOARD OF ACCOUNTS

February 12, 2007

COUNTY AUDITOR
JEFFERSON COUNTY
EXAMINATION RESULTS AND COMMENTS

CLOTHING ALLOWANCE

The County paid a \$900 clothing allowance to employees of the County Sheriff's Department. The allowance was paid without the employee submitting proof of purchase for the clothing. The payment was not run through the County's payroll system and was not reported on an Internal Revenue Service Form W-2 or Form 1099.

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

DISBURSEMENTS IN EXCESS OF APPROPRIATIONS

The following funds had expenditures which either was in excess of budgeted appropriations or had no established budgeted appropriations.

<u>Fund</u>	<u>Excess Amount Expended</u>
Cumulative Jail	\$ 84,380
Emergency Telephone System	15,275
Supplemental Juvenile Probation Services	21,563
Local Emergency Planning/Right to Know	10,673
Pretrial Diversion	15,065

Indiana Code 36-2-5-2(b) states: "The fiscal body shall appropriate money to be paid out of the county treasury, and money may be paid out of the treasury only under an appropriation made by the fiscal body, except as otherwise provided by law."

Indiana Code 36-2-9-14(c) states: "A warrant may be drawn on a county treasury only if the county fiscal body has made an appropriation for the money for the calendar year in which the warrant is drawn and that appropriation had not been exhausted."

COUNTY AUDITOR
JEFFERSON COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

OVERPAYMENT OF TAX SALE REDEMPTION

In 2005, there were four instances in which more money was paid to the buyer of the tax sale property than what was collected at the time of redemption. As a result of insufficient monies being collected at the time of redemption, overpayments were made in the amount of \$2,773.82. Refunds have not been collected as of January 30, 2007.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

RECONCILIATION OF SURPLUS TAX SALE AND TAX SALE REDEMPTION FUNDS

Reconciliations were not made of the Surplus Tax Sale Fund and the Tax Sale Redemption Fund to the detailed ledgers. As a result, posting errors were not discovered in a timely manner.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

COUNTY AUDITOR
JEFFERSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 12, 2007, with Julie Berry, President of the Board of County Commissioners; David J. Craig, President of the County Council; and Sandra J. Shelton, Auditor. The officials concurred with our findings.